

SENATE BILL 2448

By Cohen

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 6, relative to sales and use tax revenue generated at sports and entertainment facilities located in counties having a population in excess of 800,000 according to the 2000 federal census or any subsequent federal census.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-103, is amended by adding the following language as new subsections:

(j)

(1) Notwithstanding the allocations provided for in subsection (a), if a municipality operates a sports facility constructed prior to 1965 and if such sports facility requires renovations for compliance under the federal Americans with Disabilities Act (ADA), then an amount shall be apportioned and distributed to the entity responsible for the requisite ADA renovations of such facility equal to the amount of state tax revenue derived from the sale of admissions to events at such facility, and also the sale of food and drink sold on the premises of such sports facility in conjunction with those events, parking charges, and related services, as well as the sale by any professional sports franchise which utilizes such facility, within the county in which the games take place, of authorized franchise goods and products associated with its operations as a professional sports franchise. This apportionment and distribution shall continue until payment of all costs associated with such ADA renovations at the sports facility are made. Following final payment, all amounts which would have otherwise

been distributed to the municipality or retained in lieu of distribution shall be allocated as provided by this section without regard to this subsection (j).

(2) Notwithstanding any provision of this subsection (j) to the contrary, no portion of the revenue derived from the increase in the rate of sales and use tax allocated to educational purposes pursuant to Acts 1992, ch. 529 § 9, and no portion of the revenue derived from the increase in the rate of sales and use tax from six percent (6%) to seven percent (7%) contained in Acts 2002, ch. 856 § 4, shall be distributed to the municipality. All such revenue shall continue to be allocated as provided in Acts 1992, ch. 529, and Acts 2002, ch. 856, respectively.

(3) For the purposes of this subsection (j), "municipality" means any incorporated city, county or incorporated city and county located in the state of Tennessee; provided that the provisions of this subsection (j) shall only apply in any county having a population in excess of 800,000 (eight hundred thousand) according to the 2000 federal census or any subsequent federal census.

(k)

(1) Notwithstanding the allocations provided for in subsection (a), if a municipality has outstanding bond obligations for a facility constructed primarily for use as a sports facility prior to 1990 but primarily used as an entertainment or commercial venture, then an amount shall be apportioned and distributed to the entity that is responsible for the retirement of the debt on such facility, equal to the amount of state tax revenue derived from the sale of admissions to events at such facility, and also the sale of food and drink sold on the premises of such facility in conjunction with such events, parking charges, and related services, and also the sale of any other item on the premises of such facility. Following retirement of such bonds, all amounts which would have otherwise been

distributed to the municipality or retained in lieu of distribution shall be allocated as provided by this section without regard to this subsection (k).

(2) Notwithstanding any provision of this subsection (k) to the contrary, no portion of the revenue derived from the increase in the rate of sales and use tax allocated to educational purposes pursuant to Acts 1992, ch. 529 § 9, and no portion of the revenue derived from the increase in the rate of sales and use tax from six percent (6%) to seven percent (7%) contained in Acts 2002, ch. 856 § 4, shall be distributed to the municipality. All such revenue shall continue to be allocated as provided in Acts 1992, ch. 529, and Acts 2002, ch. 856, respectively.

(3) For the purposes of this subsection (k), "municipality" means any incorporated city, county or incorporated city and county located in the state of Tennessee; provided that the provisions of this subsection (k) shall only apply in any county having a population in excess of 800,000 (eight hundred thousand) according to the 2000 federal census or any subsequent federal census.

SECTION 2. Tennessee Code Annotated, Section 67-6-712, is amended by adding the following language as new subsections:

(f)

(1) Notwithstanding the allocations provided for in subsection (a), if a municipality operates a sports facility constructed prior to 1965 and if such sports facility requires renovations for compliance under the federal Americans with Disabilities Act (ADA), then an amount shall be apportioned and distributed to the entity responsible for the requisite ADA renovations of such facility equal to the amount of local tax revenue derived from the sale of admissions to events at such facility, and also the sale of food and drink sold on the premises of such sports facility in conjunction with such events, parking charges, and related

services, as well as the sale by any major league professional sports franchise which utilizes such facility, within the county in which the games take place, of authorized franchise goods and products associated with its operations as a professional sports franchise. This apportionment and distribution shall continue until payment of all costs associated with such ADA renovations at the sports facility are made. Following final payment, all amounts which would have otherwise been distributed pursuant to this section shall be allocated as provided by this section without regard to this subsection (f).

(2) For the purposes of this subsection (f), "municipality" means any incorporated city, county or incorporated city and county located in the state of Tennessee; provided that the provisions of this subsection (f) shall only apply in any county having a population in excess of 800,000 (eight hundred thousand) according to the 2000 federal census or any subsequent federal census.

(g)

(1) Notwithstanding the allocations provided for in subsection (a), if a municipality has outstanding bond obligations for a facility constructed primarily for use as a sports facility prior to 1990 but now primarily used as an entertainment or commercial venture, then an amount shall be apportioned and distributed to the entity that is responsible for the retirement of the debt on such facility, equal to the amount of local tax revenue derived from the sale of admissions to events at such facility, and also the sale of food and drink sold on the premises of such facility in conjunction with those events, parking charges, and related services, and also the sale of any other item on the premises of such facility. Following retirement of such bonds, all amounts which would have

otherwise been distributed pursuant to this section shall be allocated as provided by this section without regard to this subsection (g).

(2) For the purposes of this subsection (g), "municipality" means any incorporated city, county or incorporated city and county located in the state of Tennessee; provided that the provisions of this subsection (g) shall only apply in any county having a population in excess of 800,000 (eight hundred thousand) according to the 2000 federal census or any subsequent federal census.

SECTION 3. This act shall take effect July 1, 2006, the public welfare requiring it.